

March 31, 2000

Amended Letter:

This letter transmits Request for Proposals (RFP) DE-RP08-00NV12101 entitled "Management and Operating Contract for the Office of Civilian Radioactive Waste Management (OCRWM) Program." The OCRWM is requesting interested organizations to compete for the award of a contract to assist in implementing the Program's mission, as set forth in the Nuclear Waste Policy Act, as amended. A draft RFP was issued in late February to provide an opportunity for comments. Interested parties can review those comments that were received along with the responses from the Source Evaluation Board by going to www.ymp.gov. We thank those who provided input to our process.

The RFP places significant emphasis on planning, integrating and managing an evolving, first-of-a-kind complex program in a Nuclear Regulatory Commission licensing environment. The Contractor will be expected to operate in an uncertain budget environment in which technology and data are evolving. The successful Offeror must demonstrate the use of cost-effective contracting methods through the various phases of the contract. Technical requirements of engineered and natural barrier systems must be integrated into the repository safety case. In addition, there are interfaces with interested parties, national laboratories, federal agencies, stakeholders and other contractors. Long-range planning is crucial to facilitate long-lead procurement requirements, and to assure resources are appropriately staged, and data are qualified and available.

The Government has established a fee pool for the Offeror covering the first five-year period of the contract, excluding the transition period and phase-in period for which no fee is provided. The maximum available fee of \$232.5 million is based 100% on achievement of four major milestones during that five-year period (reference Section B of the RFP), and does not include subcontractor fees. Offerors may, if they desire, propose a lower maximum fee for the five-year period. In addition, select functional standards to measure performance at levels consistent with nuclear industry standards, DOE orders, and contractual obligations may result in loss of fee if not met. During contract transition a Performance Evaluation Management Plan (PEMP) will be developed. The PEMP will include the specifics of the performance fee implementation, the functional standards for the remainder of FY01, and the conditions under which the fee plan is subject to modification.

The draft RFP proposed that the Offeror had the discretion to subcontract directly with the national laboratories. This concept has been abandoned in the Final RFP. DOE expects the national laboratories and the USGS to continue to support the program through licensing. Their work scope after FY 2001 shall be defined by the contractor, consistent with program needs and subject to DOE approval, and the contractor shall be expected to integrate their work and to assure program deliverables comply with acceptance criteria. The contractual relationship between DOE and the laboratories will not be altered with this new contract. Offerors are advised that, consistent with DOE

policies, national laboratories, which are Federally Funded Research and Development Centers, and other management and operating contractors, may not compete directly with the private sector. Accordingly, Offerors should not solicit these organizations for participation under this solicitation. For more information, your attention is directed to Section L.7 of the RFP.

There has been considerable interest in this RFP from the small business community. To provide Offerors guidance regarding the levels of expected participation of such businesses in this solicitation, the Department's small business goals for prime contractors have been included in Section L.3 of the solicitation. This guidance for preparation of the Small Business Subcontracting Plans and an evaluation of the approach to achieve small business goals as well as small disadvantaged business program participation targets, should result in opportunities for small businesses.

It is the Department's intent to ensure that the Contractor Human Resource Policies adequately support the Contractor's ability to attract and retain critically skilled employees. DOE Order 350.1, Human Resources Management Program, will serve as the governing document for Contractor human resources. The Department and the Contractor may reach a separate advance understanding for selected Contractor human resources costs. The advance understanding enables both the Contractor and the Department to determine allocability, allowability and reasonableness of costs prior to incurrence, thereby avoiding subsequent disallowance and disputes; and assure prudent expenditure of public funds.

The Government contemplates award of a cost-plus-award-fee performance based management and operating contract resulting from this solicitation. The Government intends to evaluate proposals and award a contract without discussions with Offerors (except clarifications as described in FAR 15.306(a)). Therefore, the Offeror's initial proposal should contain the Offeror's best terms from a cost or price and technical standpoint. The Government reserves the right to conduct discussions if the Government later determines them to be necessary. The Contract period, exclusive of the transition period and phase-in period, is anticipated to be five years, from April 1, 2001 through March 31, 2006. The transition period is targeted to be from November 15, 2000 through February 11, 2001, with a phase-in period of February 12, 2001 through March 31, 2001. It should be recognized that award may be as early as August, and thus in Section L you will note the transition is August 15, 2000 through February 11, 2001 for proposal purposes. The Contract is anticipated to include options for Contract extensions for up to five additional years, based on Contractor performance and program needs.

Proposals are due at the OCRWM office at 7201 West Lake Mead Blvd., Suite 104, not later than 4:30 P.M. Pacific time on June 8, 2000 (reference Section L.19 of the RFP). In addition to the written proposals, interviews will be held with key personnel. Any costs associated with the preparation of your proposal are to be borne by your organization and will not be reimbursed by the Government.

The Source Evaluation Board (SEB) will evaluate proposals. The SEB will submit its findings to the Source Selection Official, a DOE Headquarters senior official, for selection. Proposals will be evaluated in accordance with the specific evaluation factors delineated in Sections M.4 and M.5 of the RFP and applicable federal policies and procedures. Offerors not meeting the qualification factor in M.6, will not be evaluated.

This letter provides only an executive summary of the salient elements of the RFP – it is not an integral part of the RFP, and in the event of any conflict between this letter and the RFP, the RFP will prevail. Offerors are cautioned to examine carefully the RFP, including the proposed Contract and the requirements therein.

Should there be any questions regarding this RFP, please contact me at (702) 869-2810 or via email at jerri.adams@ymp.gov.

Sincerely,

/s/ signed
Jerri J. Adams
Contracting Officer
Source Evaluation Board